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BEFORE THE ARIZONA CORPORATION

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COMMISSIONERS

Arizona Corporation Commission

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IN THE MATTER OF THE APPLICATION OF UNS ELECTRIC, INC. FOR THE ESTABLISHMENT OF JUST AND REASONABLE RATES AND CHARGES DESIGNED TO REALIZE A REASONABLE RATE OF RETURN OF THE FAIR VALUE OF THE PROPERTIES OF UNS ELECTRIC, INC.

THROUGHOUT THE STATE OF ARIZONA. AND FOR RELATED APPROVALS.

DEVOTED TO ITS OPERATIONS

DOCKET NO. E-04204A-15-0142

STAFF'S RESPONSE TO ARIZONA INVESTMENT COUNCIL'S MOTION (1) FOR LEAVE TO INTERVENE AND (2) TO SUPPLEMENT THE PROCEDURAL **ORDER TO CLARIFY APPLICATION OF** THE EX PARTE RULES

On August 13, 2015, the Arizona Investment Council ("AIC") filed its Motion (1) For Leave To Intervene And (2) To Supplement The Procedural Order To Clarify Application Of The Ex Parte Rules with the Arizona Corporation Commission ("Commission"). Commission Utilities Division Staff ("Staff") does not oppose AIC's Motion to Intervene. However, as to AIC's request to supplement the procedural order, Staff believes the requested supplementation of the Ex Parte Rule, Arizona Administrative Code ("A.A.C."), R14-3-113 requires clarification.

The Procedural Order in question, issued August 13, 2015, ordered that "A.A.C. R14-3-113 (ex parte rule) applies to individual members of intervening membership organizations." AIC seeks to amend that order to state that the ex parte rule prohibits the intervening membership association and each of its member companies from "engaging in non-public communications with a Commissioner or a Commission employee concerning the merits of the contested issues." (Emphasis added.)

AIC's proposed modification is overbroad: it would prohibit the intervening membership association and any of its members from communicating not only with the Commissioners and their staff, but with all employees of the ACC, including the Utilities Division and the Legal Division – a

party to this action and that party's counsel. This would impede Staff's ability to participate as a 2 party. The prohibitions set forth in the ex parte rule do not apply to all Commission employees. 3 Each applies only to "a commissioner or commission employee involved in the decision making 4 process for that proceeding...." A.A.C. R14-3-112(C) (emphasis added). Any revision to the 5 application of the ex parte rule in any procedural order should, therefore, be limited to non-public 6 communications with a Commissioner or that Commissioner's Policy Advisor or Executive Assistant. RESPECTFULLY SUBMITTED this 20th day of August, 2015. 9 10 11 Brian E. Smith, Attorney Bridget A. Humphrey, Attorney 12 Legal Division Arizona Corporation Commission 13 1200 West Washington Street Phoenix, Arizona 85007 14 (602) 542-3402 Original and thirteen (13) copies 15 of the foregoing filed this 20^t day of August, 2015 with: 16 **Docket Control** 17 **Arizona Corporation Commission** 1200 West Washington Street 18 Phoenix, Arizona 85007 19 Copy of the foregoing emailed/mailed this 20th day of August, 2015 to: 20 Daniel W. Pozefsky Bradley S. Carroll 21 UNS Electric, Inc. **Chief Counsel** 88 East Broadway Blvd., MS HQE910 Residential Utility Consumer Office 22 Post Office Box 711 1110 W. Washington, Suite 220 Phoenix, AZ 85007 Tucson, AZ 85702 23 bcarroll@tep.com dpozefsky@azruco.gov 24 Michael W. Patten Nucor Steel Kingman LLC Jason D. Gellman c/o Doug Adams 25 3000 W. Old Hwy 66 Snell & Wilmer LLP Kingman, AZ 86413 One Arizona Center 26 400 East Van Buren Street Phoenix, AZ 85004 27 Attorneys for UNS Electric, Inc. mpatten@awlaw.com 28

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